

AMENDED IN ASSEMBLY MAY 27, 2016

AMENDED IN ASSEMBLY MARCH 29, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

## ASSEMBLY BILL

**No. 2883**

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**Introduced by Committee on Insurance (Assembly Members Daly (Chair), Travis Allen, Bigelow, Calderon, Cooley, Cooper, Dababneh, Frazier, Beth Gaines, Gatto, Gonzalez, and Rodriguez)**

February 25, 2016

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An act to add Section 77.7 to, and to repeal Section 6354.7 of, the Labor Code, relating to workers' compensation.

### LEGISLATIVE COUNSEL'S DIGEST

AB 2883, as amended, Committee on Insurance. Workers' compensation: utilization review.

Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, within the Department of Industrial Relations, to compensate an employee for injuries sustained in the course of his or her employment. Existing law requires every employer to establish a utilization review process, and defines "utilization review" as utilization review or utilization management functions that prospectively, retrospectively, or concurrently review and approve, modify, delay, or deny, based in whole or in part on medical necessity to cure and relieve an injured worker from the effects of his or her injury, treatment recommendations by physicians, prior to, retrospectively, or concurrent with providing medical treatment services.

Existing law also establishes the Commission on Health and Safety and Workers' Compensation in the department. Existing law directs

the commission to conduct a continuing examination of the workers' compensation system and of the state's activities to prevent industrial injuries and occupational diseases. Existing law also authorizes the commission to conduct or contract for studies it deems necessary to carry out its responsibilities.

This bill would require the commission to conduct, or contract for the conduct of, a feasibility study regarding the extent to which physicians' requests for authorization of medical treatment for injured employees may be processed using an entirely paperless system. The bill would provide that the ~~primary~~ focus of the feasibility study shall be to determine whether the change to a paperless system would reduce the time required to provide medical treatment services to injured ~~employees~~. *employees and improve the clarity and quality of communication between physicians and the employer's utilization review process.* The bill would require the commission to consult with stakeholders, as specified, and would grant the commission discretion to decide whether to conduct or contract for the conduct of the feasibility study. The bill would also delete obsolete provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 77.7 is added to the Labor Code, to read:  
2     77.7. (a) The commission shall conduct, or contract for the  
3     conduct of, a feasibility study regarding the extent to which  
4     physicians' requests for authorization of medical treatment for  
5     injured employees may be processed using an entirely paperless  
6     system. The ~~primary~~ focus of the feasibility study shall be to  
7     determine whether the change to a paperless system would reduce  
8     the time required to provide medical treatment services to injured  
9     ~~employees~~. *employees and improve the clarity and quality of*  
10    *communication between physicians and the employer's utilization*  
11    *review process. To make that determination, the study shall also*  
12    *include an assessment regarding the current state of infrastructure*  
13    *in place to meet this goal, and any additional costs and*  
14    *requirements for providers and the state that may be deemed*  
15    *necessary to ensure efficiency, interoperability, and privacy*  
16    *protections in making the change to a paperless system.*

1 (b) The commission shall consult with stakeholders, including  
2 employers, employees, and medical providers, in conducting or  
3 contracting for the feasibility study pursuant to subdivision (a).

4 (c) The commission shall have discretion to decide whether to  
5 conduct or contract for the conduct of the feasibility study pursuant  
6 to this section.

7 SEC. 2. Section 6354.7 of the Labor Code, as added by Section  
8 84 of Chapter 6 of the Statutes of 2002, is repealed.